1 2 3 4 5 6 7 8	GIDEON KRACOV (SBN 179815) MITCHELL M. TSAI (SBN 277156) THE LAW OFFICE OF GIDEON KRACOV 801 S. Grand Avenue, Ste. 1100 Los Angeles, CA 90017 213.629.2071 FAX 213.623.7755 gk@gideonlaw.net mmt@gideonlaw.net Attorneys for Plaintiff As You Sow	
9	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
10	COUNTY OF I	LOS ANGELES
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12	AS YOU SOW, a non-profit California corporation,	Case No. BC487755
13	Plaintiff,	[PROPOSED] CONSENT JUDGMENT
14	v.	AS TO DEFENDANTS TRIVANI INTERNATIONAL, LLC AND DOE 1
15	TRIVANI INTERNATIONAL LLC, DOES 1	SARATI INTERNATIONAL, INC.
16	through 10,	Dept: 40 Judge: Michelle R. Rosenblatt
17	Defendant(s).	
18		Hearing Date: January 28, 2014 Time: 8:30 AM
19		Health & Safety Code § 25249.5, et seq.
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This Consent Judgment is entered into by and between AS YOU SOW, plaintiff in this matter (hereinafter "AYS" or "Plaintiff"), and defendants TRIVANI INTERNATIONAL, LLC (hereinafter "Trivani") and Doe 1 SARATI INTERNATIONAL, INC. (hereinafter "Sarati") (hereinafter collectively "Defendants") pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.5 et. seq. (hereinafter "Proposition 65").

- 1. <u>Definitions</u>. As used in this Consent Judgment, the following definitions shall apply:
- 1.1 "Products" include consumer creams, gels and/or lotion products, manufactured by or on behalf of Defendants for sale in California or to California consumers containing progesterone as an ingredient. Progesterone is a chemical known to the State of California to cause cancer (hereinafter "Progesterone").
- **1.2** "**Products**" shall also include any future Products that are manufactured by or on behalf of Defendants for sale in California or to California consumers under any product name or brand, whether a current or new name and/or brand.
- **1.3** Plaintiff and Defendants will be referred to collectively as the "**Parties**" or individually as a "**Party**"

2. <u>Background</u>.

- **2.1** Plaintiff AYS is a non-profit California corporation dedicated to, among other causes, the protection of the environment, the promotion of human health, the improvement of worker and consumer rights, environmental education and corporate accountability. AYS is based in Oakland, California and is incorporated under the laws of the State of California. AYS represents the public interest under Proposition 65 in this matter.
 - **2.2** Defendant Trivani is an expired Utah limited liability company.
 - **2.3** Defendant Sarati is a Texas corporation in good standing.
- **2.4** Defendants manufacture, distribute, and sell topical creams containing Progesterone, including the Products.

- **2.5** On or about March 20, 2012, Plaintiff sent Defendant Trivani a notice letter alleging a violation of Proposition 65 due to the failure to warn regarding progesterone in "Provani Cream" (hereinafter "**Trivani Notice**"). The Parties met and conferred through counsel after receipt of this Notice.
- 2.6 On or about February 13, 2013, Plaintiff sent Defendant Sarati a notice letter alleging a violation of Proposition 65 due to the failure to warn regarding progesterone in "Provani Cream" and "Nature's Precise Cream" (hereinafter "Sarati Notice"). The Parties met and conferred through counsel after receipt of this Notice.
- **2.7** Upon execution of this Consent Judgment, Plaintiff intends to file this Consent Judgment in the Los Angeles County Superior Court.
- 2.8 For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over the allegations of the violations contained in the Notice and the Complaint and personal jurisdiction over Defendants as to the acts or omissions alleged in the Complaint; that venue is proper in the County of Los Angeles and that this Court has jurisdiction to enter this Consent Judgment.
- 2.9 Defendants deny that the Products have been or are in violation of any law, and further contend that all Products have been and are safe for use as directed. Defendants expressly deny any violation under Proposition 65. The Parties desire to resolve this matter (including the Notice, Complaint and all related matters as set forth herein) without further litigation or cost.
- **2.10** The Parties enter into this Consent Judgment to settle certain disputed claims as alleged in the Notice and the Complaint, to avoid prolonged and costly litigation, and to promote the public interest. By executing and complying with this Consent Judgment, no Party admits any facts, any violations of law, or any conclusions of law including, but not limited to, any facts or conclusions of law regarding any violations of Proposition 65, or any other statutory, common law or equitable claim or requirement relating to or arising from Defendants'

Products. This Consent Judgment shall not be construed as an admission by Defendants as to any of the allegations in the Notice or the Complaint.

3. Injunctive Relief.

3.1 Beginning immediately, Defendants shall place the following Warning prominently on the label of each of Defendants' Products sold to, or offered for sale to, California consumers when, in the ordinary course of business, new labels for the Products are printed, or after January 1, 2014, whichever is the earlier:

"WARNING: This product contains Progesterone, a chemical known to the State of California to cause cancer. [Consult with your physician before using this product.]"

(hereinafter "Warning"). The text in [brackets] is optional in Defendants' sole discretion.

- shall be prominently displayed on each webpage describing the ingredients or attributes of the Products. In addition, the Warning shall either be placed prominently on the Products' label, be placed as an insert into the packaging or container of the Defendants' Products, or on an invoice that accompanies the shipment of the Defendants' Products. The Warning shall be displayed with such conspicuousness, as compared with other words, statements, designs, or devices on the webpages, packaging, container, or invoice, so as to render it likely to be read and understood by an ordinary individual prior to use. The Warning shall be at least the same size as the largest of any other health or safety warnings on the webpage, invoice or product packaging, and the word "warning" shall be in all capital letters and in bold print. A Warning printed on an invoice must be in a type size at least as tall as the largest letter or numeral in the name or price of the Defendants' Products printed on the invoice.
- **3.3** Defendants need not apply the warning text in Section 3.1 to Products which already have left Defendants' possession and thus are in the stream of commerce prior to the date of entry of this Consent Judgment, or to Products sold before the new labels for those

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Products are printed. The Parties agree Plaintiff's release of claims in Section 5 below encompasses such Products.

- 3.4 By January 1, 2014, and continuing thereafter, Defendants agree to provide written notification to all buyers, excluding buyers who purchase Products solely for individual consumption, and distributors of the Defendants' Products, including Products manufactured under a private label program, of warning requirements under Proposition 65. Written notice shall include information about how to comply with Proposition 65 warning requirements, including, but not limited to, the Proposition 65 warning terms required in Sections 3.1–3.2, as well as copies of the Office of Environmental Health Hazard Assessment's "Proposition 65 in Plain Language" and "Proposition 65: Frequently Asked Questions."
- 3.5 By January 1, 2014, Defendant Sarati agrees to amend its "MANUFACTURING/ FORMULATION AGREEMENT" to add the following text: "Certain products may not be sold to California consumers unless they have been labeled for the California market, including Proposition 65 label warnings. Any questions regarding whether a product purchased from or manufactured by Sarati shall be labeled for the California market shall be referred to Sarati before making any sale or shipment. Orders by California consumers that are fulfilled by Sarati will remain Sarati's responsibility." Sarati may modify for clarity or accuracy in detail this proposed text prior to use by January 1, 2014, but any such proposed modifications shall be provided to Plaintiff for review before December 17, 2013. Sarati may amend its policies and procedures from time to time, but the foregoing text (unless modified with Plaintiff's consent prior to January 1, 2014) shall remain in the "MANUFACTURING/FORMULATION AGREEMENT" until at least January 1, 2016. Thereafter, Sarati may modify the text from time to time, so long as substantially similar text with regard to Proposition 65 labeling requirements remains in the "MANUFACTURING/FORMULATION AGREEMENT" while this Consent Judgment remains in effect.

3.6 Compliance with this Consent Judgment shall constitute compliance with Proposition 65 regarding Progesterone in the Products.

4. Financial Settlement and Attorney's Fee Payments.

- **4.1** As consideration for the matters resolved herein, Defendant Trivani shall pay to AYS a total of \$3,750.00 in satisfaction of civil penalties, payments in lieu of civil penalties, as well as costs and attorney fees. Of the \$3,750.00 paid to AYS by Defendant Trivani, \$250.00 is in satisfaction of civil penalties and \$3,500.00 is in satisfaction of attorney's fees and costs in this matter. The payment in full shall be delivered to Gideon Kracov within ten (10) calendar days after the date of notice of entry of this Consent Judgment. AYS shall be responsible for compliance with Health & Safety Code Section 25249.12(d).
- 4.2 As consideration for the matters resolved herein, Defendant Sarati shall pay to AYS a total of \$12,500.00 in satisfaction of civil penalties, payments in lieu of civil penalties, as well as costs and attorney fees. Of the \$12,500.00 paid to AYS by Defendant Sarati, \$1,000.00 is in satisfaction of civil penalties and \$11,500.00 in satisfaction of attorney's fees and costs in this matter. The payment in full shall be delivered to Gideon Kracov within ten (10) calendar days after the date of notice of entry of this Consent Judgment. AYS shall be responsible for compliance with Health & Safety Code Section 25249.12(d).

5. Claims Covered and Released.

5.1 This Consent Judgment is a final and binding resolution between the Parties of any and all alleged violations of Proposition 65 that was or could have been asserted by the Parties on their own individual behalf and on behalf of the public interest arising from or related to Defendants' Products up through the date of entry of this Consent Judgment, including, but not limited to, any claims for attorneys' fees and costs. The Parties accordingly hereby mutually release each other, including the Parties' predecessors, successors, affiliates, assigns, suppliers, distributors, contract manufacturers, retailers, members and the officers, directors, employees, shareholders, and counsel from and against the claims described in this paragraph,

and for avoidance of doubt Plaintiff's release of claims includes sales to California consumers of those Products referenced in Sections 2.5–2.6. Defendants hereby release AYS from and against any and all claims arising out of AYS' filing or prosecution of this action. Each Party respectively waives any right to appeal or other review of this Consent Judgment, except as expressly provided in this Consent Judgment.

6. Covenant Not to Sue.

Plaintiff and Defendants covenant and agree that with regard to the matters the Parties have herein released and that are described above, the Parties will never institute a lawsuit or administrative proceedings against the other, nor shall the Parties assert any claim of any nature against any person or entity hereby released with regard to any such matters which have been released. However, nothing in this paragraph shall be interpreted to preclude enforcement of this Consent Judgment pursuant to Section 7 below.

7. <u>Enforcement of Consent Judgment.</u>

Any Party may, by noticed motion or order to show cause before the Superior Court of Los Angeles, enforce this Consent Judgment. To enforce this Consent Judgment, any Party must first give written notice of any violation of this Consent Judgment alleged to have occurred, to the Party alleged to be in violation. The Parties shall meet and confer in good faith and attempt to resolve the alleged violation. If a resolution is not reached within thirty (30) days of the date of the notice, the aggrieved Party may move the Court to hear and resolve the dispute and the moving party may seek such remedies as are provided by law for failure to undertake the actions set forth in this Agreement, or a judgment which incorporates its terms, potentially including sanctions for contempt. The prevailing Party in any proceeding brought to enforce this Consent Judgment shall be entitled to recover from the other Party the prevailing party's reasonable attorneys' fees and costs incurred in the investigation and prosecution of such an enforcement proceeding.

8. Application of Consent Judgment.

Sections 3, 5 and 6 of this Consent Judgment shall apply to, be binding upon, and inure to the benefit of the Parties and their divisions, subdivisions, subsidiaries, affiliates, successors, predecessors and assigns, and the directors, officers, employees, legal counsel, and agents of each of them, as applicable, and will inure to the benefit of the Parties' parent companies, all suppliers, distributors, wholesalers, retailers and contract manufacturers of Defendants' Products, and all of their respective directors, officers, employees, legal counsel, and agents.

9. Modification/Termination of Consent Judgment.

This Consent Judgment may be modified or terminated upon written agreement of Defendants and AYS, with approval of the Court, or upon noticed motion for good cause shown. If this Consent Judgment is not approved by the Court within 120 days of execution by all Parties, it shall be void *ab initio* and of no force or effect, unless otherwise agreed to in writing by the Parties. Any Party may withdraw from this Consent Judgment before it is entered by the Court if the Office of Attorney General objects in writing to any term herein and the Parties do not mutually agree to resolve said objection to the satisfaction of the Attorney General prior to approval of this Consent Judgment by the Court; upon such withdrawal, this Consent Judgment shall be void *ab initio* and of no force or effect.

10. Governing Law.

This Consent Judgment shall be governed by, and construed in accordance with, the laws of the State of California. AYS shall comply with the obligations under Proposition 65 to lodge this settlement with the Office of the Attorney General.

11. Entire Agreement.

The Parties declare and represent that no promise, inducement or other agreement has been made conferring any benefit upon any party except those contained herein and that Consent Judgment contains the entire agreement pertaining to the subject matter hereof. This Consent Judgment supersedes any prior or contemporaneous negotiations, representations,

agreements and understandings of the Parties with respect to such matters, whether written or oral. Parol evidence shall be inadmissible to show agreement by, between or among the Parties to any term or condition contrary to or in addition to the terms and conditions contained in this Consent Judgment. The Parties acknowledge that each has not relied on any promise, representation or warranty, expressed or implied, not contained in this Consent Judgment.

12. Challenges.

Subject to their rights to apply for a modification of this Consent Judgment for good cause shown under Section 9 hereof, the Parties agree that they, individually or collectively, will not seek to challenge or to have determined invalid, void or unenforceable any provision of this Consent Judgment or this Consent Judgment itself. The Parties understand that this Consent Judgment contains the relinquishment of legal rights and each Party has, as each has deemed appropriate, sought the advice of legal counsel, which each of the Parties has encouraged the other to seek. Further, no Party has reposed trust or confidence in any other Party so as to create a fiduciary, agency or confidential relationship.

13. Construction.

This Consent Judgment has been jointly negotiated and drafted. The language of this Consent Judgment shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

14. Authority to Stipulate to Consent Judgment.

Each signatory to this Consent Judgment represents and warrants that each signatory has all requisite power, authority and legal right necessary to execute and deliver this Consent Judgment and to perform and carry out the actions contemplated by this Consent Judgment. Each signatory to this Consent Judgment represents that each has been duly authorized to execute this Consent Judgment. No other or further authorization or approval from any person will be required for the validity and enforceability of the provisions of this Consent Judgment, except entry by the Court.

1	18. Entry of Stipulation For Entry of Consent Judgment Required.		
2	This Consent Judgment shall be null and void <i>ab initio</i> , and without any force or effect,		
3	unless fully approved as required by law and entered by the Court. If the Court does not enter		
4	this Consent Judgment, the execution thereof by Defendants or AYS shall not be construed as		
5	an admission by Defendants or AYS of any fact, conclusion of law or violation of law.		
6	19. <u>Jurisdiction</u> .		
7	This Court shall retain jurisdiction of this matter to implement this Consent Judgment.		
8	IT IS SO STIPULATED.		
9	DATED:, 2013		
10	= Barbara Creighton		
11	President Sarati International, Inc.		
13	DATED:, 2013		
14	Robert Steed		
15	Chief Executive Officer Trivani International, LLC		
16	DATED:, 2013		
17	Danielle Fugere		
18	President As You Sow		
19			
20	IT IS SO ORDERED, AND JUDGED, AND DECREED.		
21	DATED:		
22	The Henry land Michelle D. December		
23	The Honorable Michelle R. Rosenblatt JUDGE OF THE SUPERIOR COURT		
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11		President	
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13	DATED: 11 70, 2013	Corne Val	
14		Robert Steed	
15		Chief Executive Officer Trivani International, LLC	
16	DATED:, 2013		
17		Danielle Fugere	
18		President	
19		As You Sow	
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	[PROPOSED] CONSENT JUDGMENT		

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DATED: _____, 2013

DATED: 1 20, 2013

This Court shall retain jurisdiction of this matter to implement this Consent Judgment.

DATED://Do , 2013

Barbara Creighton

President Sarati International, Inc.

Robert Steed Chief Executive Officer Trivani International, LLC

Danielle Fugere President As You Sow

IT IS SO ORDERED, AND JUDGED, AND DECREED.

The Honorable Michelle R. Rosenblatt JUDGE OF THE SUPERIOR COURT

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[PROPOSED] CONSENT JUDGMENT

PROOF OF SERVICE

I, Mitchell M. Tsai, being duly sworn, deposes and says:

I am a citizen of the United States and work in Los Angeles County, California. I am over the age of eighteen years and am not a party to the within entitled action. My business address is: 801 S. Grand Ave., 11th Floor, Los Angeles, California 90017. I served this list of persons with the following document(s) on 11·21, 2013:

[PROPOSED] CONSENT JUDGMENT

The document(s) was served on:

Kenneth E. Chyten

LAW OFFICES OF KENNETH E. CHYTEN

300 East Esplanade Drive

Suite 900

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Oxnard, California 93036

Robert J. Bockelman

LAW OFFICES OF ROBERT J. BOCKELMAN

2171 Junipero Serra Boulevard

13 || Suite 470

Daly City, California 94014

14 Via Hand Dalia

Via Hand Delivery

Via Email

By placing a true copy thereof enclosed in a sealed envelope, with postage thereon fully prepaid, in the United States Post Office mail box at 801 S. Grand Ave., Los Angeles, California, addressed as set forth above. I am readily familiar with my firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on the same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date of postage meter date is more than 1 day after date of deposit for mailing in affidavit.

Executed this 11.21, 2013 at Los Angeles, California.

Mitchell M Tsa

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